GOVERNMENT OF INDIA
FINANCE
LOK SABHA

UNSTARRED QUESTION NO:4015
ANSWERED ON:09.12.2016
Road Accident Insurance Claims
Gogoi Shri Gaurav;Scindia Shri Jyotiraditya Madhavrao

Will the Minister of FINANCE be pleased to state:

(a) whether the Government is aware that a large number of insurance claims of road victims with the public sector non-life insurance companies are pending;
(b) if so, the details thereof and the total amount disbursed/pending by the such insurance companies during the last three years towards road accidents claim, year/ company-wise; and
(c) the steps proposed to be taken by the Government to direct these insurance companies to clear the backlog of pending claims?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE

(a) to (c): Yes, Madam. As per the Insurance Regulatory and Development Authority of India's (Protection of Policyholders interest) Regulations 2002, the Authority has prescribed time limits for resolution of insurance claims. However, due to the nature of Motor Third Party Liability, the resolution is generally through the courts of law. The motor insurance claims data (paid and outstanding) furnished by Insurance Regulatory and Development Authority of India (IRDAI) is annexed.

Section 140 of Motor Vehicle Act, 1988, defines that the liability to pay compensation in certain cases can be discharged on the basis of the principle of no fault (i.e. the claimant involved in a motor vehicle accident is not required to prove wrongful act, neglect or default on the part of the owner of the vehicle or by any other person). Based on this principle, many cases get settled quickly. Also, wherever liability is clean and undisputable, resolution through Lok Adalat and out of court settlements by Insurers is encouraged to reduce the time involved in settlements. Further, Section 165 of the Motor Vehicles Act, 1988, empowers State Government to constitute, by notification in the Official Gazette, one or more Motor Accidents Claims Tribunals (MACT) for such area as may be specified in the notification for the purpose of adjudicating upon claims for compensation in respect of accidents involving the death of, or bodily injury to persons arising out of the use of motor vehicles, or damages to any property of a third party so arising, or both.
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